

**FY 2004
Medicaid Cost Containment Initiatives**

Bill #	Proposal	Original Savings Estimate	Revised Savings Estimate	Status as of January 22, 2004
HF 619	Reduce Prescription Fill Fee from \$5.17 to \$4.26	-\$2,177,778	-\$1,963,155	In effect
HF 619	Reduce AWP - 10% to AWP - 12%	-2,040,000	-2,078,207	In effect
HF 619	Expand SMAC to the Original List (1.4 multiplier)	-1,900,000	-1,900,000	In effect
HF 619	Increase Prescription Drug Co-Pays to Federal Maximums (50 cents for prescriptions of <\$10, \$1 for \$10-\$20 prescriptions, \$2 for \$20-\$50, \$3 for >\$50); Physician Co-Pay \$3	-854,000	-1,158,749	In effect. Prescription Drugs = \$841,646; Physician = \$317,103
HF 619	Preferred Drug List	-7,000,000	Minimal	FY 2004 savings reduced due to delayed implementation. Up to \$7 million savings for full year in FY 2005.
HF 619	Nursing Facilities Cross-Over Claims	-1,056,000	-1,048,575	In effect
HF 619	Nursing Facilities Bed-Hold	-600,000	-563,912	In effect
HF 619	Hold Harmless / 85% occupancy	-5,100,000	-5,100,000	In effect
HF 619	Nursing Facilities Dual Certification	-994,000	-988,000	In effect
HF 619	Nursing Facilities Rate Re-base - Inflation adjustment	-3,045,490	3,088,556	Inflation calculation increased by approximately \$6.0 million.
HF 619	Utilization Management / Fraud / Targeted Audit	-2,000,000	-1,000,000	Contract in place with Iowa Foundation for Medical Care.
HF 619	Veterans Benefits / Long-term care (Operation Awareness)	Unknown	0	Veterans' Commission received 2 FTE positions to facilitate. Positions not filled at this time.
HF 619	ICF/MR Provider Participation Fee	-6,100,000	-5,200,306	In effect
HF 619	U of I Hospital/Broadlawns physician reimbursement Intergovernmental Transfer	-13,500,000	0	Appears unlikely to be approved by CMS.
HF 619	Disease Management	Unknown	Unknown	SF 458 allocates up to \$100,000 to the Chronic Care Consortium for the pilot project.
HF 667	Hospital Crossover Claims	-4,256,000	0	Appears unlikely to be approved by CMS in original form.
Original Total Savings Estimate		-\$50,623,268	-\$17,912,348	
Difference (reduced savings)			-\$32,710,920	

AWP = Average Wholesale Price

SMAC = State Maximum Allowable Cost